

**EXHIBIT 2**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:

FRANCHISE GROUP, INC.,<sup>1</sup>

Reorganized Debtor.

)  
) Chapter 11  
)  
) Case No. 24-12480 (LSS)  
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)  
)  
)  
) Re: Docket No. \_\_\_\_

**ORDER SUSTAINING REORGANIZED DEBTOR'S  
SIXTH (6TH) OMNIBUS (SUBSTANTIVE) OBJECTION TO CLAIMS**

Upon consideration of the *Reorganized Debtor's Sixth (6th) Omnibus (Substantive) Objection to Claims* (the "Objection")<sup>2</sup> for entry of an order (this "Order") reclassifying and/or modifying certain claims, and the Kelsall Declaration; and it appearing that this Court has jurisdiction to consider the Objection pursuant to 28 U.S.C. §§ 157 and 1334, the Amended Standing Order, and Article IX of the Plan; and having determined that venue of these Chapter 11 Cases and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and having determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Objection is in the best interests of the Reorganized Debtors, the Debtors' estates, their creditors, and other parties in interest; and it appearing that notice of the Objection was good and sufficient upon the particular circumstances

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<sup>1</sup> The last four digits of Franchise Group, Inc.'s federal tax identification number are 1876. The mailing address for Franchise Group, Inc. is 2371 Liberty Way, Virginia Beach, Virginia 23456. The term "Reorganized Debtors" includes Franchise Group, Inc. and certain reorganized debtor affiliates, a complete list of which, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Reorganized Debtors' claims and noticing agent, at <https://cases.ra.kroll.com/FRG/>. All of the motions, contested matters, and adversary proceedings that remained open as of the closing of any of the Reorganized Debtors' cases, or that are opened after the date thereof, are administered in the remaining chapter 11 case of Franchise Group, Inc., Case No. 24-12480 (LSS).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon and good and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Objection is SUSTAINED, as set forth herein.
2. The Reclassified Claims identified on **Exhibit A** to this Order are hereby reclassified to the classification status set forth in the column titled *Modified Claim Amount and/or Priority* on **Exhibit A** to this Order.
3. The Reduced Claim identified on **Exhibit B** to this Order is hereby modified to the amount indicated in the column titled “*Modified Claim Amount and/or Priority*” on **Exhibit B** to this Order.
4. The Reduced and Reclassified Claim identified on **Exhibit C** to this Order is hereby modified and reclassified to the amount and classification status set forth in the column titled *Modified Claim Amount and/or Priority* on **Exhibit C** to this Order.
5. The Reorganized Debtor’s objection to each Disputed Claim addressed in the Objection constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each Disputed Claim. Any stay of this Order pending appeal by any of the claimants subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters covered hereby.

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6. This Court shall retain jurisdiction over any and all affected parties with respect to any and all matters, claims or rights arising from or related to the implementation or interpretation of this Order.

**EXHIBIT A**

**Reclassified Claims**

	Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
1	Architectural Graphics, Inc. c/o Zemanian Law Group 223 E City Hall Avenue Suite 201 Norfolk VA 23510	564	American Freight, LLC	12/24/2024	\$0.00 (S) \$20,563.60 (A) \$0.00 (P) \$48,924.32 (U) \$69,487.92 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$69,487.92 (U) \$69,487.92 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. Claimant provides architectural services and is not a provider of goods received by the Debtors within twenty days of the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.
2	B.J. McCord D/B/A McCord Business Center 111 Lower Turtle Creek Road Kerrville TX 78028	1207	American Freight Management Company, LLC	01/21/2025	\$0.00 (S) \$0.00 (A) \$26,650.00 (P) \$0.00 (U) \$26,650.00 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$26,650.00 (U) \$26,650.00 (T)	Claimant asserts amounts owed in connection with rejection damages, which do not qualify for priority treatment under section 507(a)(5) of the Bankruptcy Code. Therefore, this claim should be reclassified as general unsecured claim.
3	Buy Supply Corp 388 South Ave Staten Island NY 10303	96	American Freight, LLC	11/18/2024	\$0.00 (S) \$19,368.35 (A) \$0.00 (P) \$19,002.43 (U) \$38,370.78 (T)	\$0.00 (S) \$11,134.43 (A) \$0.00 (P) \$27,236.35 (U) \$38,370.78 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$11,134.43, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.

	Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
4	Cindy Gatto as Class Rep c/o Kessler Matura P.C. 534 Broadhollow Rd Suite 275 Melville NY 11747	1454	PSP Stores, LLC	01/23/2025	\$0.00 (S) \$0.00 (A) \$179,793.31 (P) \$4,270,261.04 (U) \$4,450,054.35 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$4,450,054.35 (U) \$4,450,054.35 (T)	Claimant asserts, on behalf of herself and a similarly situated class, \$179,793.31 for unpaid wages allegedly owed to groomers working for PSP Stores, LLC between the years of 2016–2022 and claims that such amounts are entitled to priority status. This claim is not for unpaid wages owed within the 180 days preceding the Petition Date and does not qualify for priority status under section 507(a)(4) of the Bankruptcy Code. Therefore, this claim should be reclassified to a general unsecured claim.
5	Constellation NewEnergy, Inc. 1310 Point Street Baltimore MD 21231	1061	Vitam in Shoppe Industries LLC	01/21/2025	\$0.00 (S) \$20,273.07 (A) \$0.00 (P) \$18,314.60 (U) \$38,587.67 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$38,587.67 (U) \$38,587.67 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. Claimant provides electric utility services and is not a provider of goods received by the Debtors within twenty days prior to the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.
6	CVB Inc. Attn: Nolan Stephen Andreasen 1525 West 2960 South Nibley UT 84321	128	Franchise Group, Inc.	11/19/2024	\$0.00 (S) \$36,798.00 (A) \$0.00 (P) \$309,949.00 (U) \$346,747.00 (T)	\$0.00 (S) \$20,274.00 (A) \$0.00 (P) \$326,473.00 (U) \$346,747.00 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$20,274.00, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.

Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
7 Elbi of America dba NDA Distributors Attn: Richard S. Price, II 1235 N Harbor Blvd. Suite 200 Fullerton CA 92832	18	American Freight, LLC	11/08/2024	\$0.00 (S) \$81,142.82 (A) \$0.00 (P) \$0.00 (U) \$81,142.82 (T)	\$0.00 (S) \$38,154.52 (A) \$0.00 (P) \$42,988.30 (U) \$81,142.82 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$38,154.52, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.
8 Electrolux Consumer Products, Inc. Two Alliance Center c/o Thompson Hine LLP Attn: Austin B. Alexander, Esq. 3560 Lenox Rd. NE Suite 1600 Atlanta GA 30326	1539	American Freight Outlet Stores, LLC	01/23/2025	\$0.00 (S) \$489,444.28 (A) \$0.00 (P) \$1,462,740.82 (U) \$1,952,185.10 (T)	\$0.00 (S) \$478,365.74 (A) \$0.00 (P) \$1,473,819.36 (U) \$1,952,185.10 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$478,365.74, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.
9 Field Manufacturing Corporation 1864 Centro West Street Tiburon CA 94920	457	American Freight Outlet Stores, LLC	12/13/2024	\$0.00 (S) \$38,264.08 (A) \$0.00 (P) \$3,130.40 (U) \$41,394.48 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$41,394.48 (U) \$41,394.48 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records do not reflect the receipt of any goods from the claimant within twenty days of the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.



	Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
10	Gatto, Cindy c/o Kessler Matura P.C. 534 Broadhollow Rd Suite 275 Melville NY 11747	1455	PSP Stores, LLC	01/23/2025	\$0.00 (S) \$0.00 (A) \$150,000.00 (P) \$0.00 (U) \$150,000.00 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$150,000.00 (U) \$150,000.00 (T)	Claimant asserts amounts owed for damages allegedly owed for employment discrimination. This claim is not for amounts owed for unpaid wages earned within the 180 days preceding the Petition Date and does not qualify for priority status under section 507(a)(4) of the Bankruptcy Code. Therefore, this claim should be reclassified to a general unsecured claim.
11	Hunkar Data & Barcode Systems, Inc. 2368 Victory Parkway Suite 210 Cincinnati OH 45206	1244	Vitam in Shoppe Procurement Services, LLC	01/22/2025	\$0.00 (S) \$20,114.80 (A) \$0.00 (P) \$0.00 (U) \$20,114.80 (T)	\$0.00 (S) \$16,514.80 (A) \$0.00 (P) \$3,600.00 (U) \$20,114.80 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$16,514.80, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.
12	IH 35 Loop 340 Tenancy-in-Common c/o Rashti and Mitchell Attn: Timothy Mitchell 4422 Ridgeside Drive Dallas TX 75244	3008	American Freight, LLC	07/03/2025	\$0.00 (S) \$0.00 (A) \$2,700.13 (P) \$0.00 (U) \$2,700.13 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$2,700.13 (U) \$2,700.13 (T)	Claimant asserts amounts owed in connection with lease rejection damages, which are general unsecured claims capped under section 502(b)(6) of the Bankruptcy Code and are not entitled to priority under section 507(a)(2) of the Bankruptcy Code. Therefore, this claim should be reclassified as indicated.
13	IQBAR, Inc. Attn: Grant Anderson 20755 Manchester Ct Brookfield WI 53045	2908	Vitam in Shoppe Procurement Services, LLC	05/06/2025	\$0.00 (S) \$864.00 (A) \$0.00 (P) \$0.00 (U) \$864.00 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$864.00 (U) \$864.00 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records do not reflect the receipt of any goods from the claimant within twenty days of the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.

Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
14 Living Style (Singapore) Pte. Limited 3 Kallang Junction #05-02 Singapore 339265 Singapore	2811	American Freight, LLC	04/24/2025	\$0.00 (S) \$719,006.52 (A) \$0.00 (P) \$1,135,323.90 (U) \$1,854,330.42 (T)	\$0.00 (S) \$187,199.10 (A) \$0.00 (P) \$1,667,131.32 (U) \$1,854,330.42 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records reflect that the Debtors received goods from claimant during the twenty days prior to the Petition Date only in the amount of \$187,199.10, and the balance of the asserted administrative amount should be reclassified as a general unsecured claim. Therefore, this claim should be reclassified as indicated.
15 Louisville Gas and Electric Company c/o Frost Brown Todd LLP Attn: Sara L. Abner 400 West Market Street Suite 3200 Louisville KY 40202	691	Vitam in Shoppe Industries LLC	01/10/2025	\$0.00 (S) \$118.10 (A) \$118.10 (P) \$1,004.11 (U) \$1,240.31 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$1,240.31 (U) \$1,240.31 (T)	Claimant asserts amounts owed under sections 503(b)(9) and 507(a)(2) of the Bankruptcy Code. Claimant provides electric utility services and is not a provider of goods received by the Debtors within twenty days prior to the Petition Date, and this claim does not qualify for priority classification under section 507(a)(2) of the Bankruptcy Code. Therefore, this claim should be reclassified to a general unsecured claim.
16 Nashua Wastewater 229 Main St Nashua NH 03061	578	Pet Supplies "Plus", LLC	12/27/2024	Unliquidated (S) \$0.00 (A) \$274.29 (P) \$0.00 (U) \$274.29 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$274.29 (U) \$274.29 (T)	Claimant asserts amounts owed in connection with utility services, which do not qualify for priority under section 507(a)(8) of the Bankruptcy Code and are not evidenced by a lien or secured by collateral. Therefore, this claim should be reclassified and modified as indicated.
17 RetailNext, Inc. 307 Orchard City Drive Suite 100 Campbell CA 95008	2806	American Freight, LLC	04/23/2025	\$0.00 (S) \$19,129.84 (A) \$0.00 (P) \$0.00 (U) \$19,129.84 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$19,129.84 (U) \$19,129.84 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code for renewal and deployment charges, which are not goods received by the Debtors within twenty days prior to the Petition Date. Therefore, this claim should be reclassified as a general unsecured claim.

Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reclassification
18 Springfield Sign and Graphics, Inc. Attn: Michael Payne 4825 E Kearney St. Springfield MO 65803	762	American Freight, LLC	01/13/2025	\$0.00 (S) \$43,194.07 (A) \$0.00 (P) \$82,841.17 (U) \$126,035.24 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$126,035.24 (U) \$126,035.24 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records do not reflect the receipt of any goods from the claimant within twenty days of the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.
19 Steve Silver Company PO Box 205262 Dallas TX 75320-5262	1553	American Freight, LLC	01/23/2025	\$0.00 (S) \$160,372.31 (A) \$0.00 (P) \$0.00 (U) \$160,372.31 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$160,372.31 (U) \$160,372.31 (T)	Claimant asserts amounts owed under section 503(b)(9) of the Bankruptcy Code. However, the Reorganized Debtors' books and records do not reflect the receipt of any goods from the claimant within twenty days of the Petition Date. Therefore, this claim should be reclassified to a general unsecured claim.
20 XTGlobal, Inc. 2701 Dallas Parkway Suite 300 Plano TX 75093	2569	American Freight, LLC	02/25/2025	\$0.00 (S) \$0.00 (A) \$12,400.00 (P) \$1,348.00 (U) \$13,748.00 (T)	\$0.00 (S) \$0.00 (A) \$0.00 (P) \$13,748.00 (U) \$13,748.00 (T)	Claimant is a third-party contractor asserting \$12,400 owed in connection with a staffing services contract under section 507(a)(4) of the Bankruptcy Code. Claimant was not the Debtors' employee and this claim does not qualify for priority treatment under section 507(a)(4) of the Bankruptcy Code. Therefore, this claim should be reclassified as a general unsecured claim.
Claims to be modified totals	Count: 20			\$9,393,429.46	\$9,393,429.46	

**EXHIBIT B**

**Reduced Claim**

	Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim Amount and Priority (1)	Modified Claim Amount and/or Priority (1)	Reason for Reduction
1	Wichita County c/o Perdue, Brandon, Fielder, Collins & Mott, L.L.P. Attn: Mollie Lerew PO Box 8188 Wichita Falls TX 76307	2389	Franchise Group, Inc.	02/04/2025	\$9,961.95 (S) \$0.00 (A) \$0.00 (P) \$0.00 (U) \$9,961.95 (T)	\$6,090.63 (S) \$0.00 (A) \$0.00 (P) \$0.00 (U) \$6,090.63 (T)	Claimant aggregates amounts owed by Debtor American Freight, LLC and a non-Debtor franchisee for which the Debtors have no liability. The Reorganized Debtors' books and records reflect that the portion of the secured claim attributable to the Debtors is \$6,090.63, which has since been satisfied. Therefore, this claim should be reduced as indicated.
Claims to be modified totals		Count: 1			\$9,961.95	\$6,090.63	

**EXHIBIT C**

**Reduced and Reclassified Claim**

	Name and Address of Claimant	Claim #	Debtor	Date Filed	Claim amount and priority (1)	Modified Claim amount and/or priority (1)	Reason for Reduction and Reclassification
1	McCoy, Elijah J. Available upon request	1797	Franchise Group, Inc.	01/23/2025	\$0.00 (S) \$3,800.00 (A) \$3,800.00 (P) \$0.00 (U) \$7,600.00 (T)	\$0.00 (S) \$0.00 (A) \$3,800.00 (P) \$0.00 (U) \$3,800.00 (T)	Claimant is an employee asserting amounts owed in connection with wages and is not a supplier of goods. Therefore, the \$3,800 asserted under section 503(b)(9) of the Bankruptcy Code does not qualify for administrative status and should be reduced and reclassified as indicated herein.
Claims to be modified totals		Count: 1			\$7,600.00	\$3,800.00	

(1) (S) Secured; (A) Administrative; (P) Priority; (U) Unsecured; (T) Total